**Report to the**

**Senate Appropriations Committee on Health and Human Services**

**House of Representatives Appropriations Subcommittee on Health and Human Services**

**and**

**Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services**

# Monthly Report on Community Support Services

**August 2008**

**Session Law 2007-323**

**House Bill 1473**

**Section 10.49.(ee)**

**September 30, 2008**

**North Carolina Department of Health and Human Services**

# Executive Summary

Legislation in 2007 requires the Department of Health and Human Services to report monthly on the use and cost of Community Support services for persons with mental health, developmental, and substance abuse disabilities. This August 2008 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

***Highlights***

- In June 2008, slightly over 24,000 children and slightly under 13,000 adults received Medicaid-funded Community Support services. Additionally, almost 700 children and adolescents and slightly under 3,500 adults received State and block grant funded Community Support services.
- Over 578,000 hours of Medicaid-funded Community Support services, at a cost of almost $30 million, were provided to children and adolescents in June 2008. State-funded Community Support services for children and adolescents totaled almost 7,000 hours and cost slightly under $355,000.
- Medicaid-funded Community Support services for adults totaled over 258,000 hours in June 2008, at a cost of slightly over $13 million. Slightly over 17,000 hours of State-funded services for adults were provided that month, at a cost of slightly under $913,000.
- In June 2008, the use of Medicaid-funded Community Support services averaged 24 hours per month for slightly over 9 months for children and adolescents and 20 hours per month for almost 12 months for adults. State-funded services were provided for about half that long, on average, and at less than half that intensity.
- As of August 31, 2008, 1,346 provider sites were actively enrolled with Medicaid to provide Community Support services and the enrollment of 470 providers had been terminated.
- Over 1,127 provider sites have been referred to the Division of Medical Assistance for further investigation. Of those, 38 have been referred to the Attorney General's Medicaid Investigation Unit.
- The greatest numbers of persons receiving Medicaid and State-funded enhanced services other than Community Support in June 2008 were found in assertive community treatment teams (slightly over 2,000) and psychosocial rehabilitation (almost 1,900).
- The highest *average dollars of service per person served* in June 2008 for Child and Adolescent services was Intensive In Home for Medicaid-funded services (slightly over $2,400) and Multi-Systemic Therapy for State-funded services (almost $1,971). For adults, community support team (almost $2,600) and assertive community treatment teams (slightly over $1,200) had the highest average.
- The most expensive enhanced services after Community Support in June 2008 were child day treatment at over $2 million and assertive community treatment teams, at slightly under $2.6 million (Medicaid and State funds combined).

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# Introduction

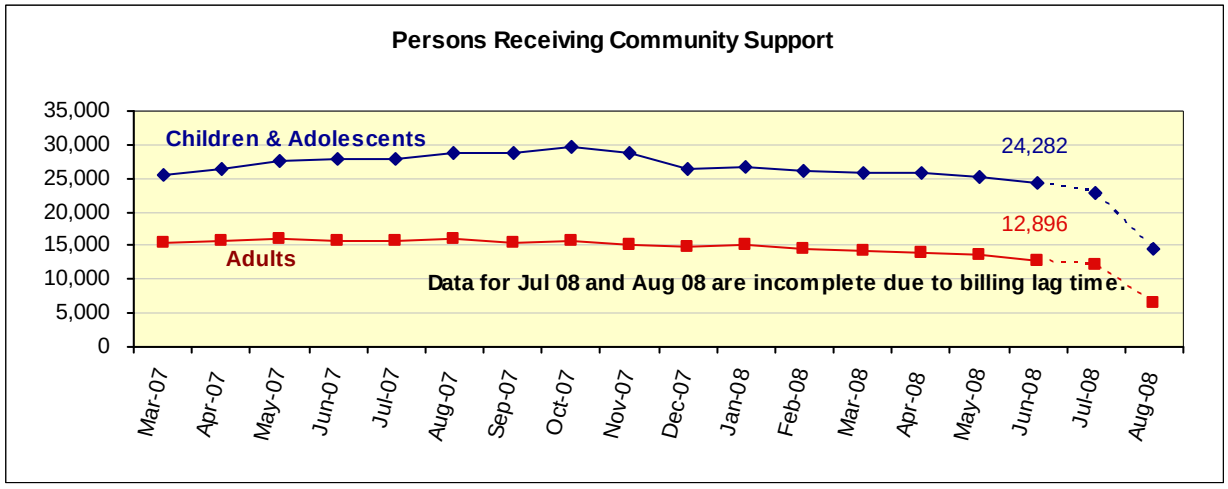
The *Monthly Report on Community Support Services* is presented in response to Session Law 2007-323, House Bill 1473, Section 10.49.(ee). The following pages show the utilization of Community Support and other Enhanced Benefit services from March 2007 to August 2008 (See page 22 for additional details). The use of Community Support services reached a peak in the spring of 2007 with over 41,000 persons being served at a cost of over 100 million dollars per month. When the rapid growth of Community Support was recognized, several legislative, policy, and rate changes (See Appendices A-C) were implemented. These changes have helped to reduce the overuse of community support and to move the system toward a more desired balance in utilization of the entire enhanced service array..

# Use of Community Support Services

## *Number of Consumers*

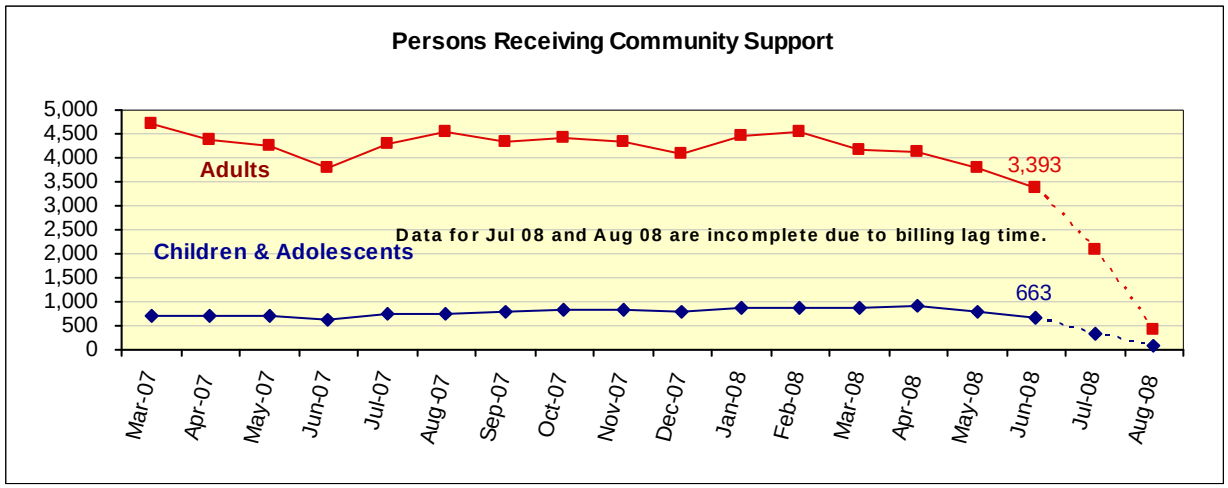
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded Community Support services was slightly over 24,000 children and adolescents, and slightly under 13,000 adults in June 2008.

**Figure 1.1**
**Medicaid-Funded Services**



As indicated by Figure 1.2 below, more adults received State-funded Community Support services than children and adolescents. Since March 2007 the number of adults receiving Community Support, has continued to decrease, while the number of children and adolescents remained stable during the same period.

**Figure 1.2**
**State-Funded Services**




## *Volume of Services*

The units of service continue to decline for Medicaid-funded Community Support provided, as shown in Figure 1.3 below. Children and adolescents received slightly over 578,000 hours of services (2.3 million units), and adults received slightly over 258,000 hours (1 million units) in June 2008.

**Figure 1.3**
**Medicaid-Funded Services**

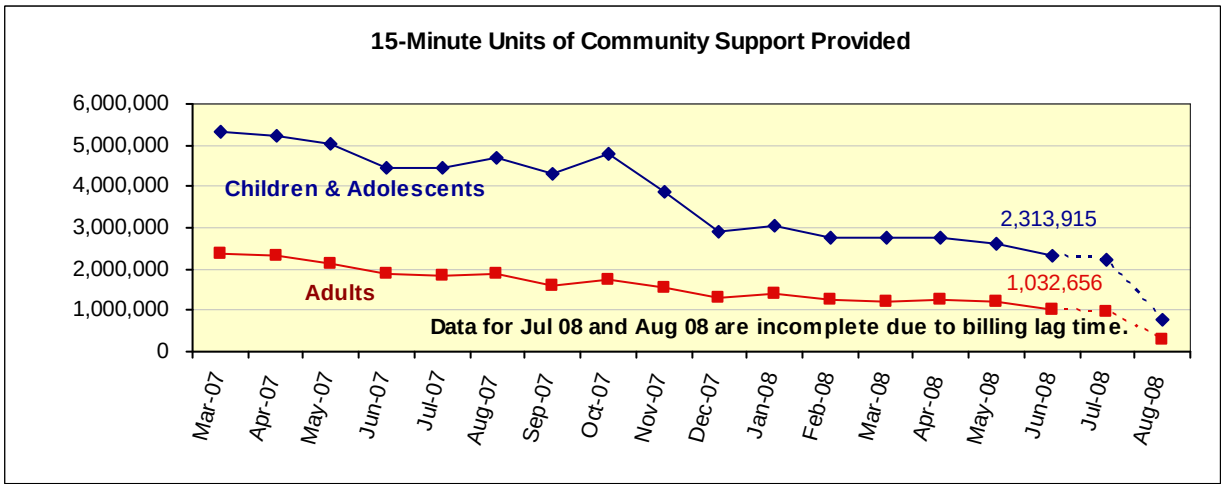
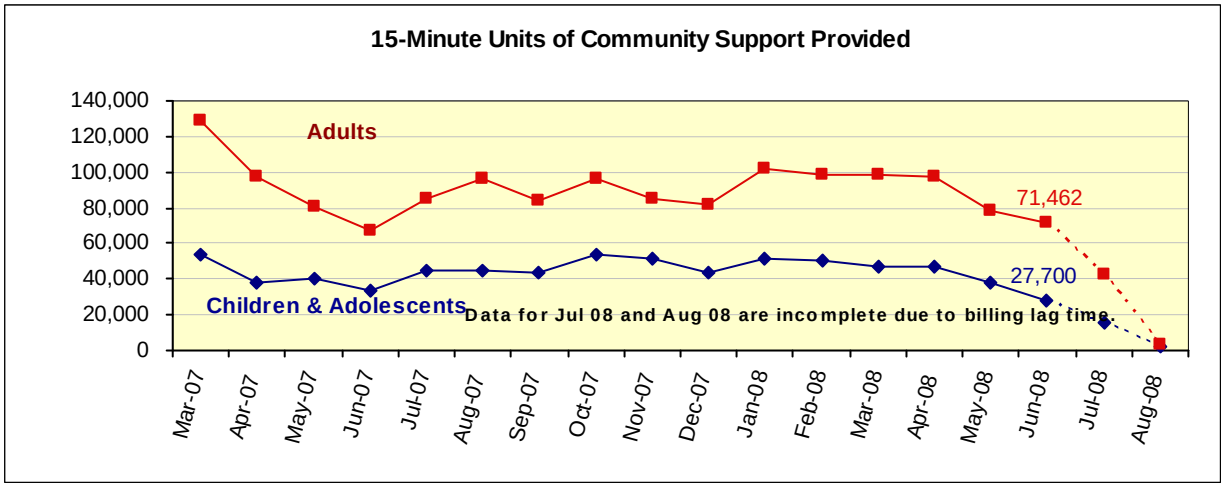


Figure 1.4 below shows a significant decrease in State-funded services from March 2007 to June 2008 for adults. Units of service for adults had decreased to under 18,000 hours (just over 71,000 units) in June 2008. However, since January 2008 there has been a decrease in the units of services for adults. Community Support provided to children and adolescents decreased to under 7,000 (almost 28,000 units) hours in June 2008.

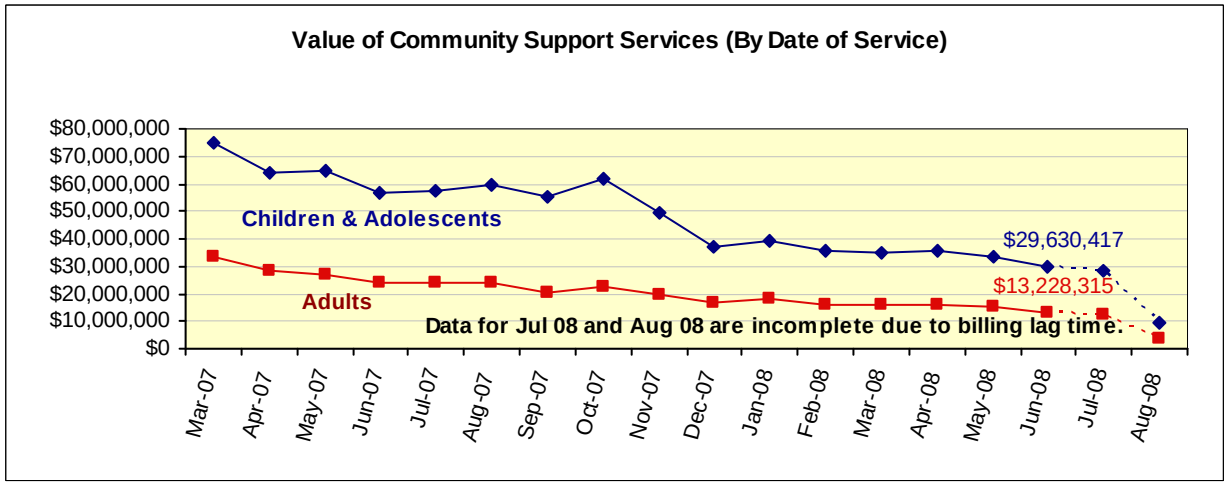
**Figure 1.4**
**State-Funded Services**




## *Cost of Services*

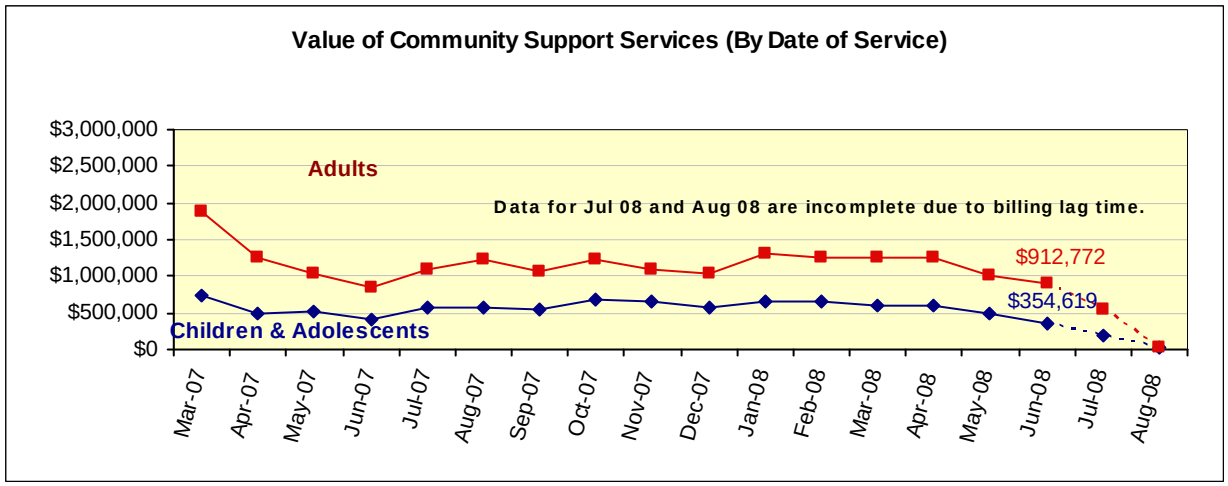
Figure 1.5 below displays the monthly Medicaid cost of Community Support services. In the month of June 2008, the cost of services provided was slightly over $29.6 million for children and adolescents and $13.2 million for adults.

**Figure 1.5**
**Medicaid-Funded Services**



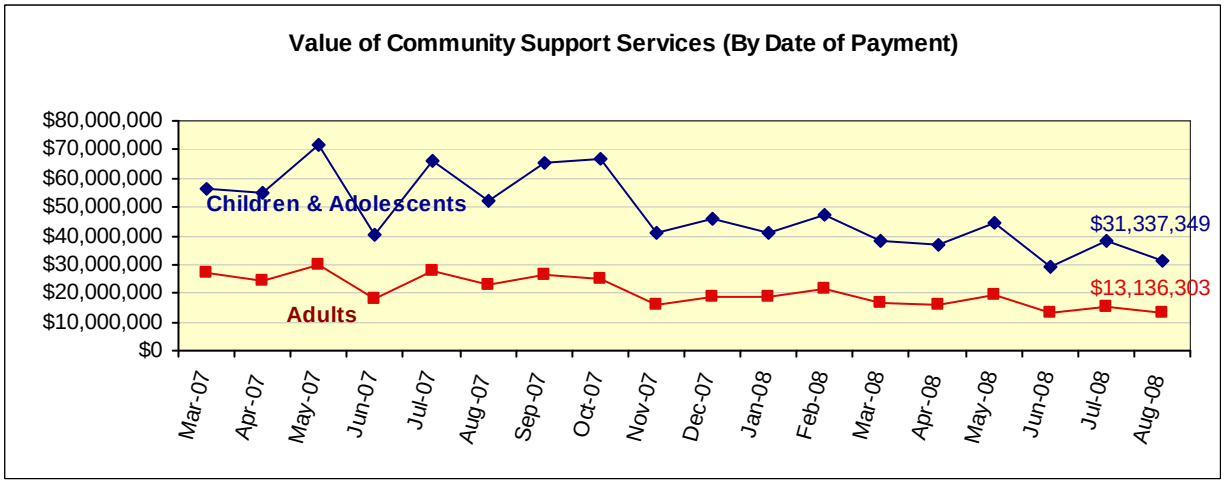
As shown in Figure 1.6 below, the monthly State-funded cost of Community Support services for June 2008 has decreased to under $913,000 for adults and under $355,000 for children and adolescents.

**Figure 1.6**
**State-Funded Services**



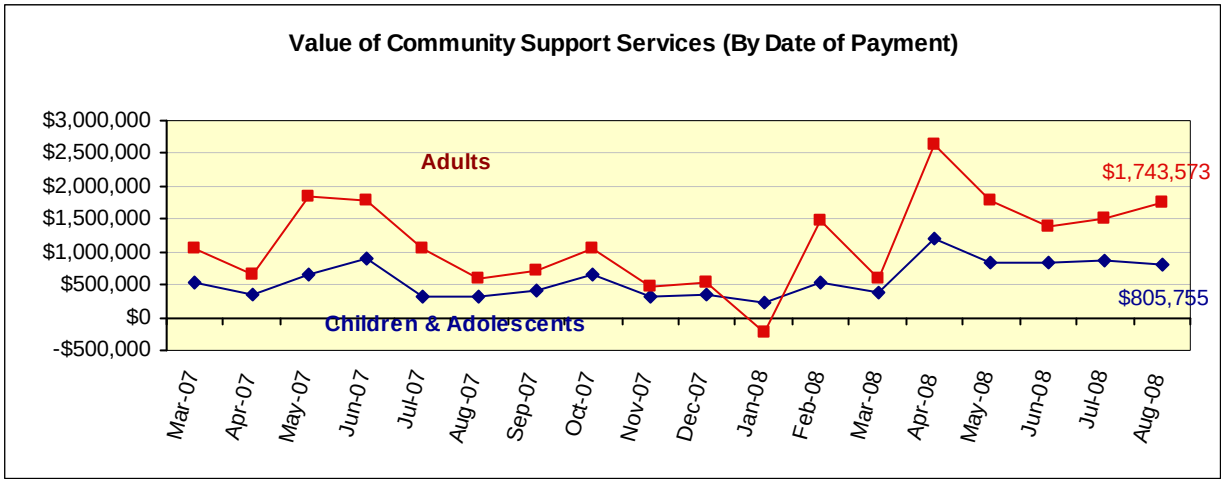

As shown in Figure 1.7, monthly Medicaid payments to providers for Community Support in August 2008 increased to was over $31.3 million for children and adolescents and slightly over $13.1 million for adults.

**Figure 1.7**
**Medicaid-Funded Services**



Payments of state funds made through the Integrated Payment and Reporting System (Figure 1.8 below) continue to reflect a more irregular billing pattern for Community Support. In August 2008 the amount of Community Support services paid for adults was over $1.7 million and slightly below $806,000 for children and adolescents.

**Figure 1.8**
**State-Funded Services[1]**




## *Services by Qualified Professionals, Associate Professionals and Paraprofessionals*

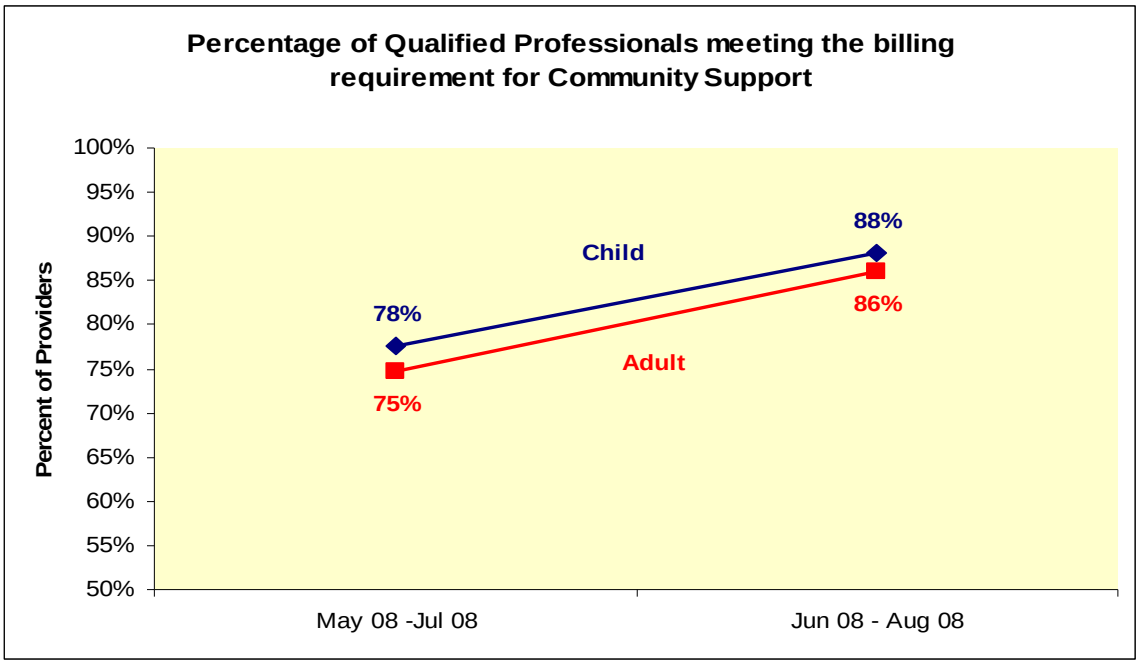
Within each provider agency enrolled to deliver Community Support services, the Qualified Professional (QP) is charged with the coordination and oversight of initial and ongoing assessment activities, ensuring linkages to the most clinically appropriate services, and with the facilitation of the Person Centered Planning process. To ensure adequate involvement and oversight by a Qualified Professional, clinical policy requires that a minimum of 25% of Community Support services per recipient be provided by the Qualified Professional over a "rolling" three month period (See Appendix B).

Figure 1.9 shows that during the three-month period beginning May 1, 2008 and ending July 31, 2008 over three-fourths of Medicaid providers met the requirement above for child and adult Community Support services.[2] During the three-month rolling period of June - August 2008 the percentage of providers meeting the requirement rose to, 88% for child services and 86% for adult services.

[1] In January 2008 the amount of community support services billed reflects an adjustment that exceeded the amount of dollars paid; therefore, the scale shows a negative amount of Community Support services billed through IPRS.

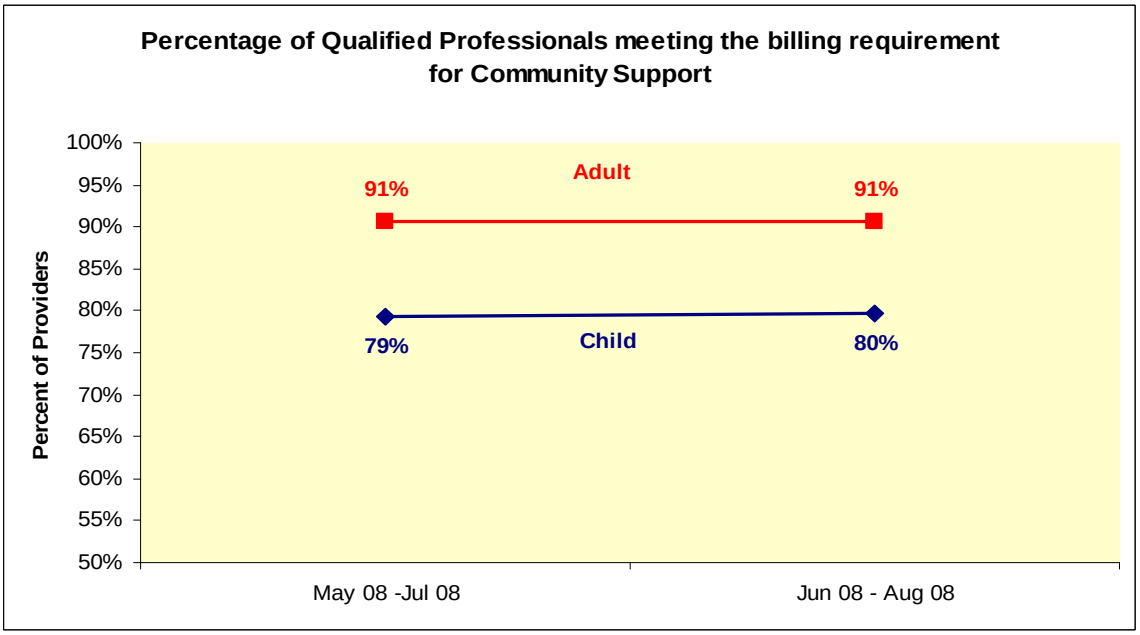
[2] The analysis includes services provided on or after March 1, 2008, when the requirement was implemented.

**Figure 1.9**
**Medicaid-Funded Services**




In Figure 1.10, State funded services, 91% of adult community support providers and over 79% of child providers met the qualified professional requirements, during both rolling three-month periods.

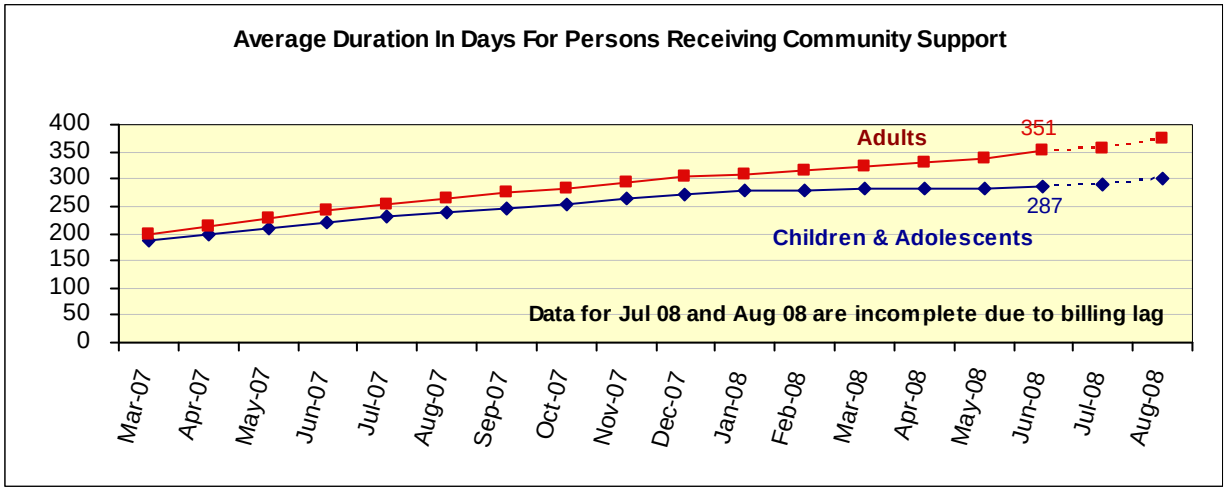
**Figure 1.10**
**State-Funded Services**



## *Intensity of Services (Length of Service and Hours per Person)*

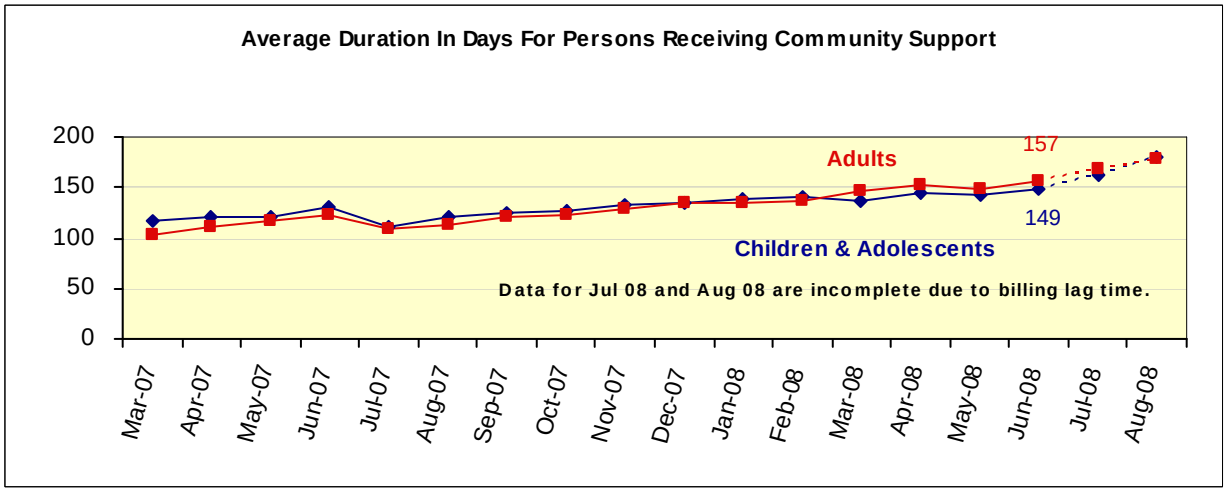
The *average length of service* or duration of services, as shown in Figure 1.11 below, shows a steady rise in the average number of days individuals remain in Community Support services. In June 2008 the average length of service was over nine months (287 days) for children and adolescents and over eleven months (351 days) for adults. Preliminary data for July and August 2008 suggests that the average length of service for adults will continue to rise.

**Figure 1.11**
**Medicaid-Funded Services**



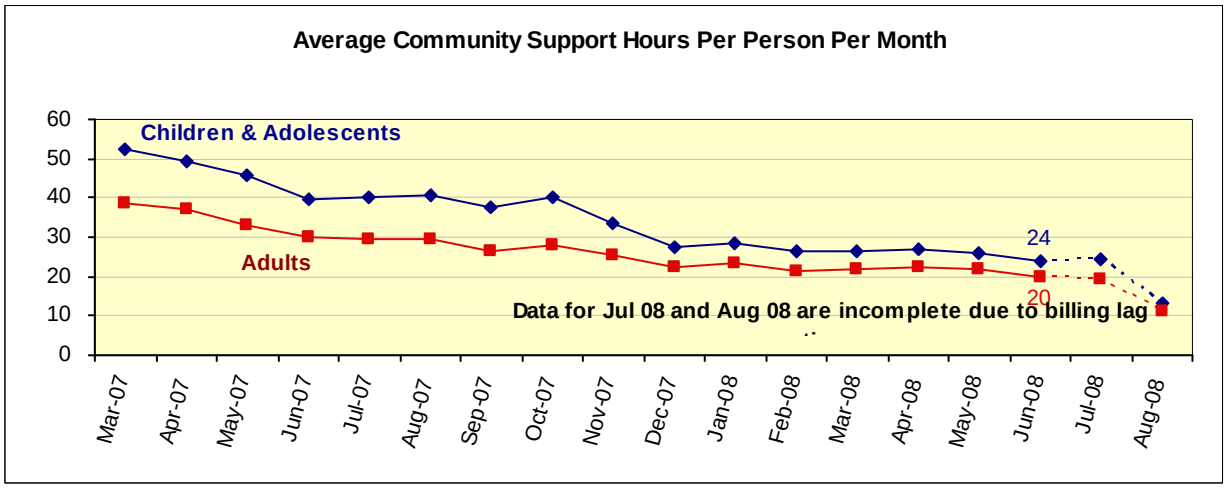

In June 2008, the *average length of service* for State-funded consumers, as shown in Figure 1.12 below, was about five months both for children and adolescents (149 days) and for adults (157 days). Preliminary data for July and August 2008 suggests that the average length of service will continue to rise for both children and adolescents and adults.

**Figure 1.12**
**State-Funded Services**



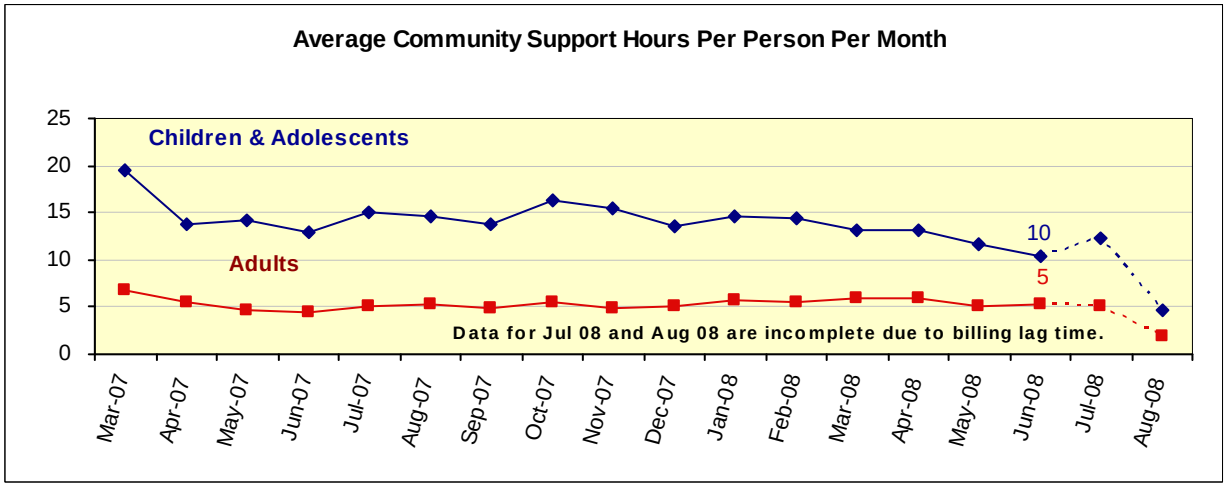
*Average hours per person per month* present additional information for evaluating the intensity of the services provided. As indicated in Figure 1.13, the average hours per month has dropped to 24 hours for children and adolescents and 20 hours for adults.

**Figure 1.13**
**Medicaid-Funded Services**




As indicated in Figure 1.14, children and adolescents received an average of ten hours per month for State-funded Community Support services and adults received an average of five hours a month in June 2008.

**Figure 1.14**
**State-Funded Services**

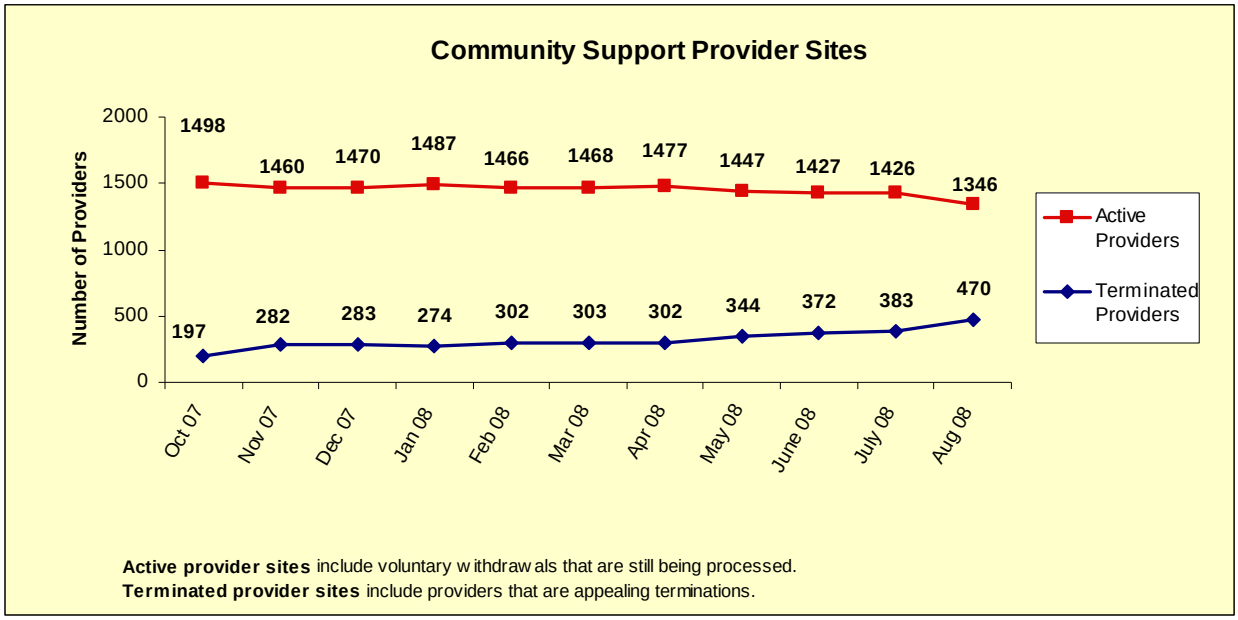


# Community Support Providers

## *Number of Enrolled Providers*

Since the enrollment of new Community Support providers was halted in November 2007 there has been an expected decrease in the number of active providers.[3] As of August 31, 2008, 1,426 provider sites were actively enrolled to provide Community Support services, while enrollment for 470 provider sites was terminated.[4]

**Figure 2.1**



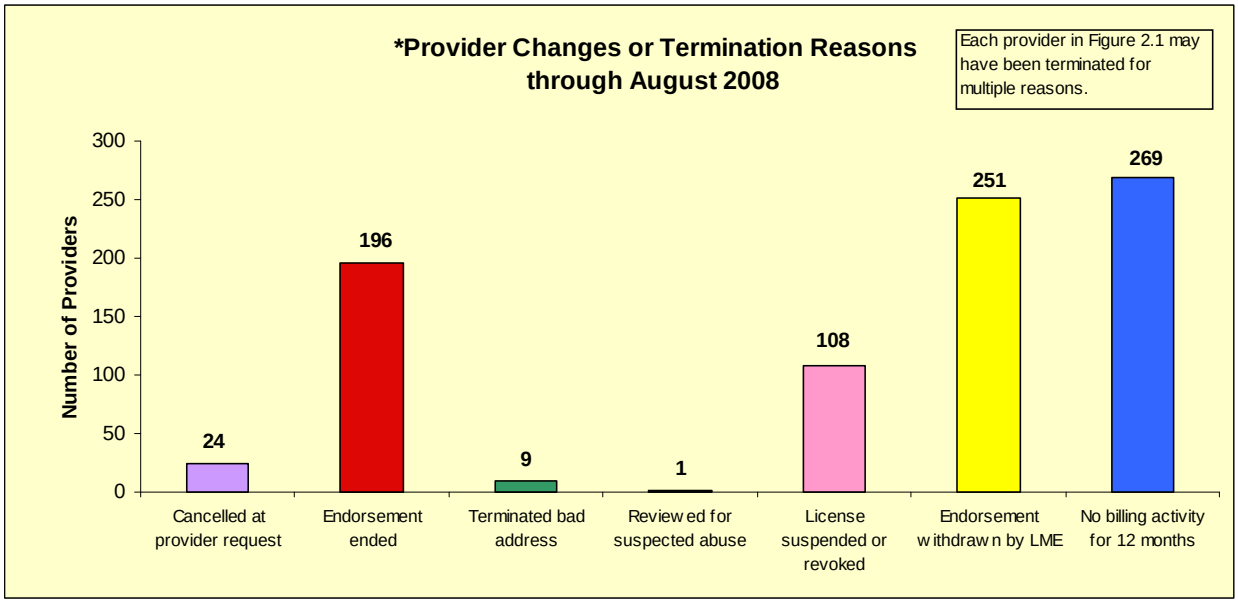

Current provider data was created on 9/8/08

Figure 2.2 on the following page, outlines reasons for changes and terminations for the 470 providers terminated in Figure 2.1. Provider inactivity, lapsed endorsements, and suspensions or revocations by Local Management Entities or the licensing agency represented the most frequent reasons for termination.

[3] Providers are identified by the specific location from which services are delivered. A single business entity that has multiple enrolled sites is counted multiple times in Figure 2.1.

[4] The small increase in providers from January 2008 to April 2008 is the result of applications that were in process when the November 8, 2007 memorandum was issued halting enrollment. In addition, some terminated providers have been reinstated as a result of hearings where decisions were overturned and were moved to the "active provider" category.

**Figure 2.2**




*****Each provider in Figure 2.1 may have been terminated for multiple reasons listed in Figure 2.2.

## *Clinical Post-Payment Reviews*

There have not been additional post-payment reviews since September 2007. When the next round of reviews are completed the results will be included in this report.

## *Actions Taken and Providers Referred for Further Review*

As shown in Figure 2.3, over 1,100 Community Support providers were referred to the Division of Medical Assistance (DMA) Program Integrity (PI) Section. The fluctuation in the number of monthly PI cases opened reflect multiple cyclic review processes that include, but are not limited to; (1) the clinical post payment reviews, (2) complete service record reviews, (3) complaints, (4) DMH Accountability Spring/Fall Audits, and (5) DMH Accountability Investigative Findings. Due to the current volume of Community Support providers under review by the Program Integrity Section, the Rapid Action Committee will not review the cases prior to further action. To date, the Program Integrity Section has submitted 38 provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).[5]

**Figure 2.3**

**Community Support Providers Referred for Further Action**

**As of July 31, 2008**

| | Previous Totals | July Totals | August Totals | Cumulative Totals |
|---|---|---|---|---|
| Provider cases opened by DMA Program Integrity Section | 1,116 | 4 | 7 | *1,127 |
| Providers Referred by DMA to Attorney General's Medicaid Investigation Unit | 38 | 0 | 0 | 38 |

*777 cases originated from the LME reviews. The balance is from other referrals to PI. The number of provider cases may include a duplicate number of providers referred to PI. Data generated on 9/9/08.

[5] Any direct referrals of community support providers to the MIU by agencies, families, or other stakeholders that do not pass through review by DMH or DMA will not be included in this report.

# Enhanced Services

## *Use of Other New Enhanced Services*

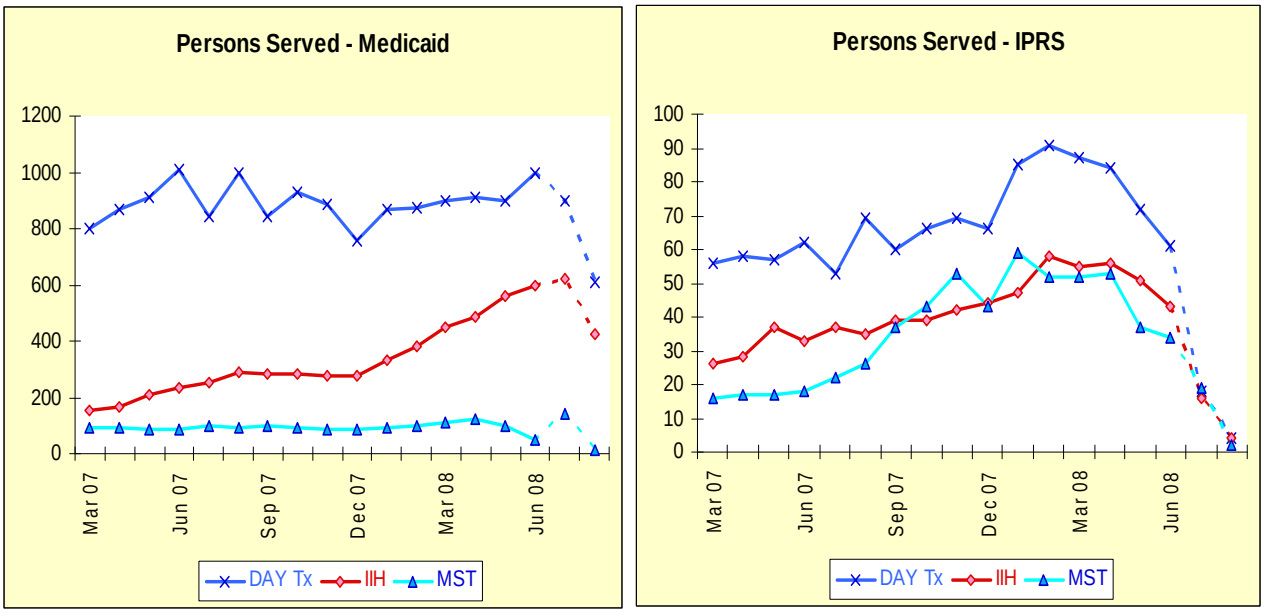
The number of individuals receiving other enhanced services in June 2008 remained much lower than the number of individuals who received Community Support during the same month (refer to Figure(s) 1.1 and Figure 1.2 on pages 3 & 4). The figures below represent the following four categories of other enhanced services: Services to Children and Adolescents; Services to Adults; Substance Abuse Services; and Crisis Intervention Services.

## Children and Adolescents

The number of children and adolescents receiving Child and Adolescent Day Treatment (Day Tx), Intensive In-Home (IIH) Services, and Multisystemic Therapy (MST) totaled 1,782 individuals in June 2008, with 1,644 served through Medicaid funds and 138 served through state funds, compared to over 24,000 children receiving Medicaid-funded Community Support and almost 700 receiving State-funded Community Support.

As shown in Figure 3.1 below, more children and adolescents continue to receive Day Treatment than Intensive In-Home and Multisystemic Therapy for both Medicaid and State-funded services. The number of children receiving IIH services has steadily risen during the past year. During the same period, the number of persons receiving State-Funded MST has risen, while Medicaid-funded MST services have remained steady

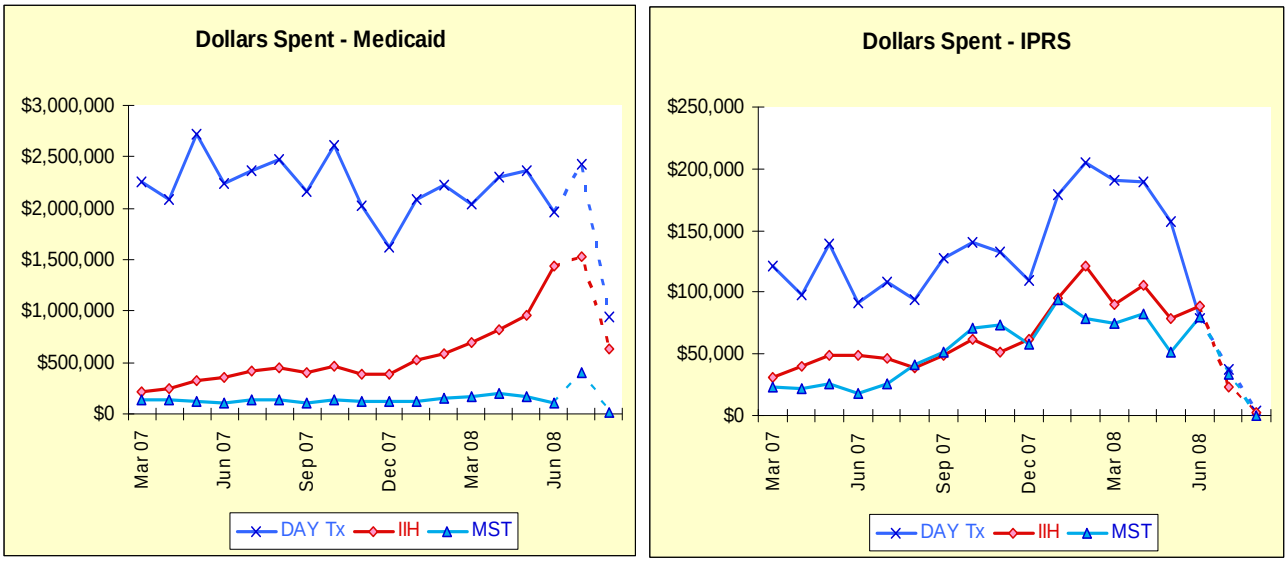
**Figure 3.1**
**Medicaid Services and State Funded Services for Children and Adolescents**




The pattern for costs, shown in Figure 3.2 reflects a decrease in spending for state-funded DayTx over the past 18 months. Both Medicaid and State-funded IIH costs shows a substantial increase over the past 18 months. During the same period Medicaid-funded MST remained stable. State-

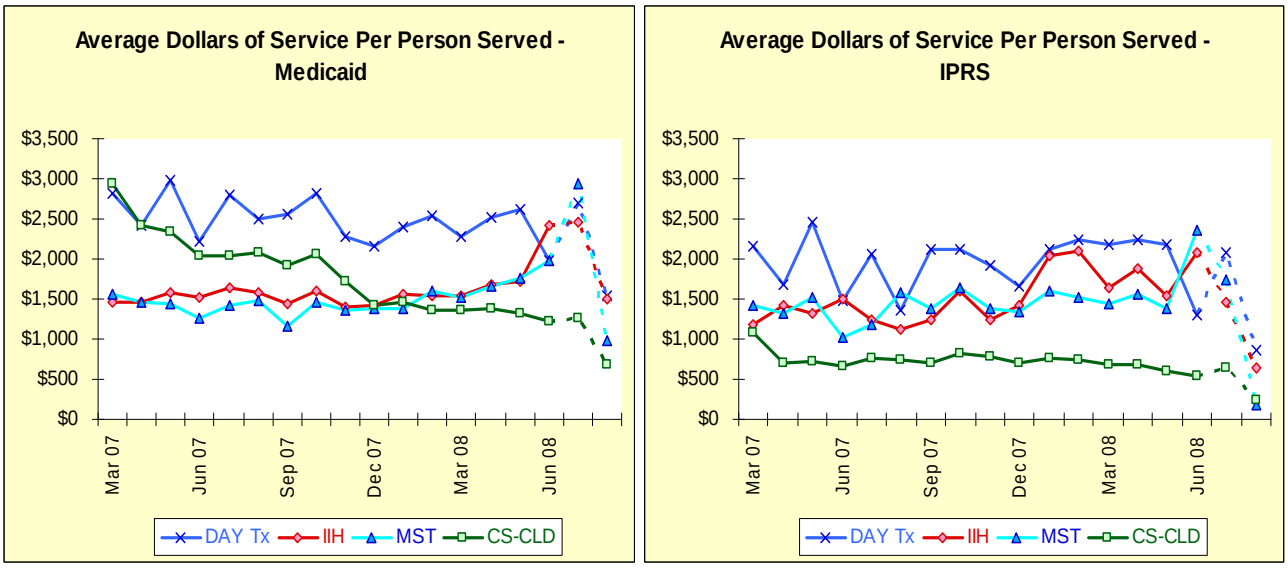
funded MST had a more gradual increase over the past 18 months, with fluctuations over the past four months.

**Figure 3.2**
**Medicaid Services and State Funded Services for Children and Adolescents**




In Figure 3.3 the average Medicaid and state cost of services per person has decreased for Community Support -Child (CS-CLD) and Day Tx in the past 18 months, while IIH and MST have increased during the same period.

**Figure 3.3**
**Medicaid Services and State Funded Services for Children and Adolescents**



## Adults

The number of adults receiving Community Support Team (CST), Assertive Community Treatment Team (ACTT), and Psychosocial Rehabilitation (PSR) services totaled 5,485 individuals in June 2008, with 4,697 served through Medicaid funds and 788 served through state funds, compared to almost 13,000 adults receiving Medicaid-funded Community Support and slightly below 3,400 receiving State-funded Community Support. As shown in Figure 3.4, the number of adults receiving both Medicaid-funded and State-funded CST and ACTT has risen over the past 18 months. The number of persons receiving Medicaid-funded Psychosocial Rehabilitation (PSR) decreased slightly over the past 18 months.

**Figure 3.4**
**Medicaid Services and State Funded Services for Adults**

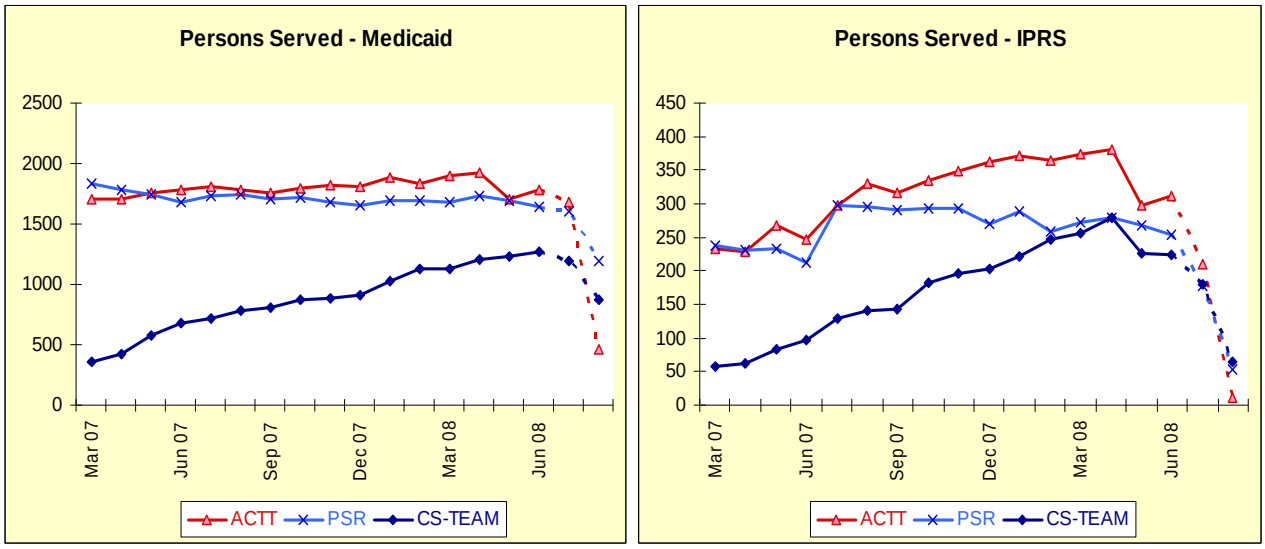
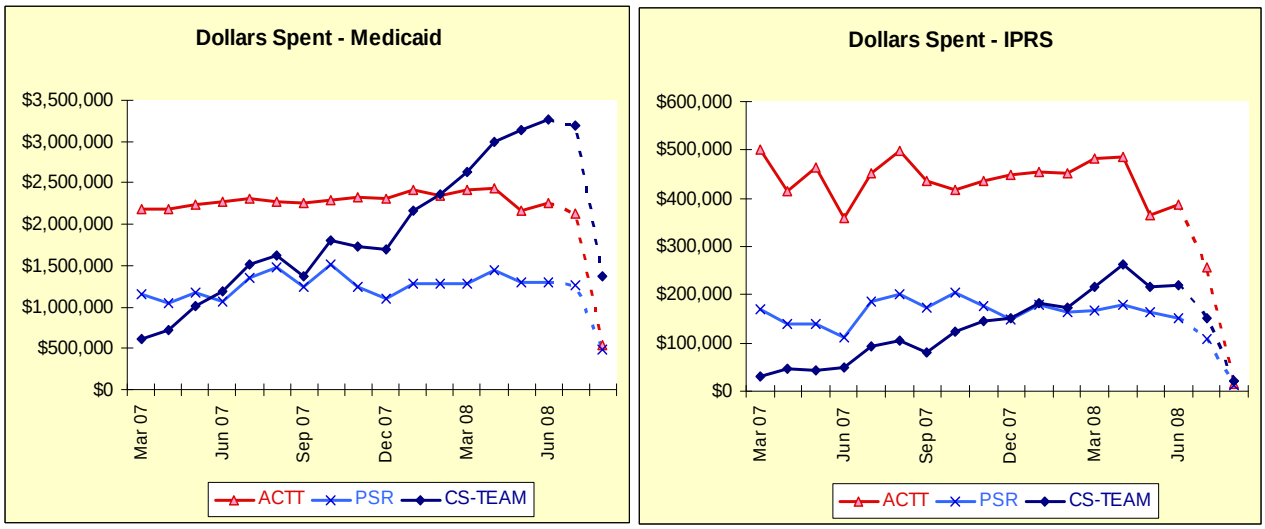


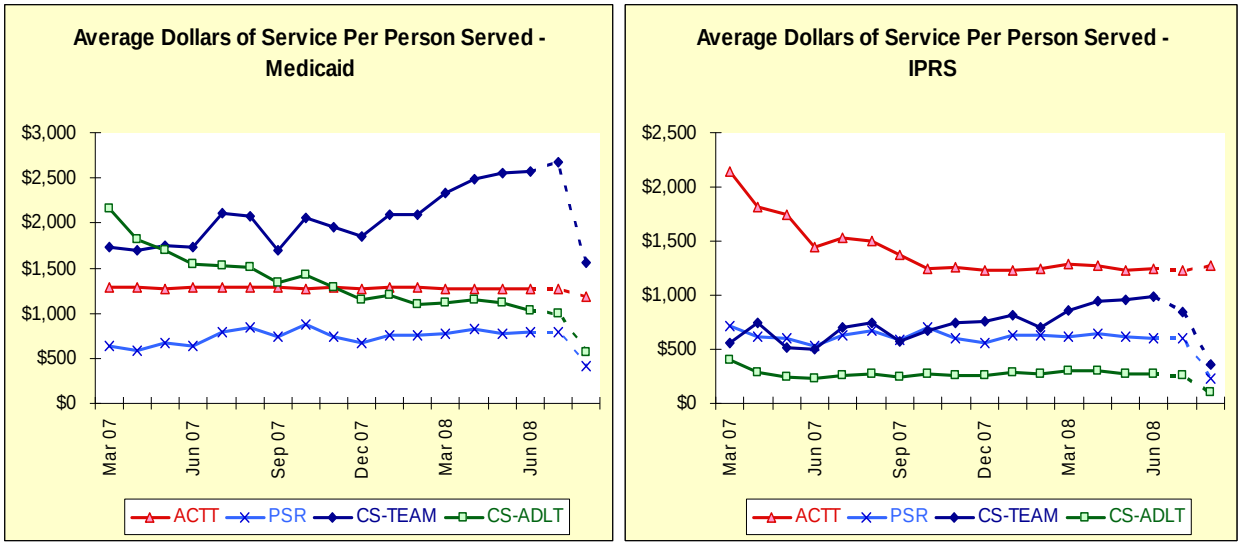

Figure 3.5 below shows similar trends over the past 18 months with large increases in the Medicaid dollars spent on CST, and a slight decrease in ACTT services. Over the same period State dollars spent on ACTT has decreased, while PSR has remained relatively stable and CS-TEAM has increased.

**Figure 3.5**
**Medicaid Services and State Funded Services for Adults**



In Figure 3.6 the average dollars of service per person has increased for Medicaid-funded CS-TEAM while the per-person cost remained fairly level for other services except Community Support-Adult (CS-ADULT), which has decreased over the past 18 months. The average cost per person for State-funded services has remained stable for CS-Adult and PSR, has increased slightly for CS-Team, and has decreased for ACTT services.

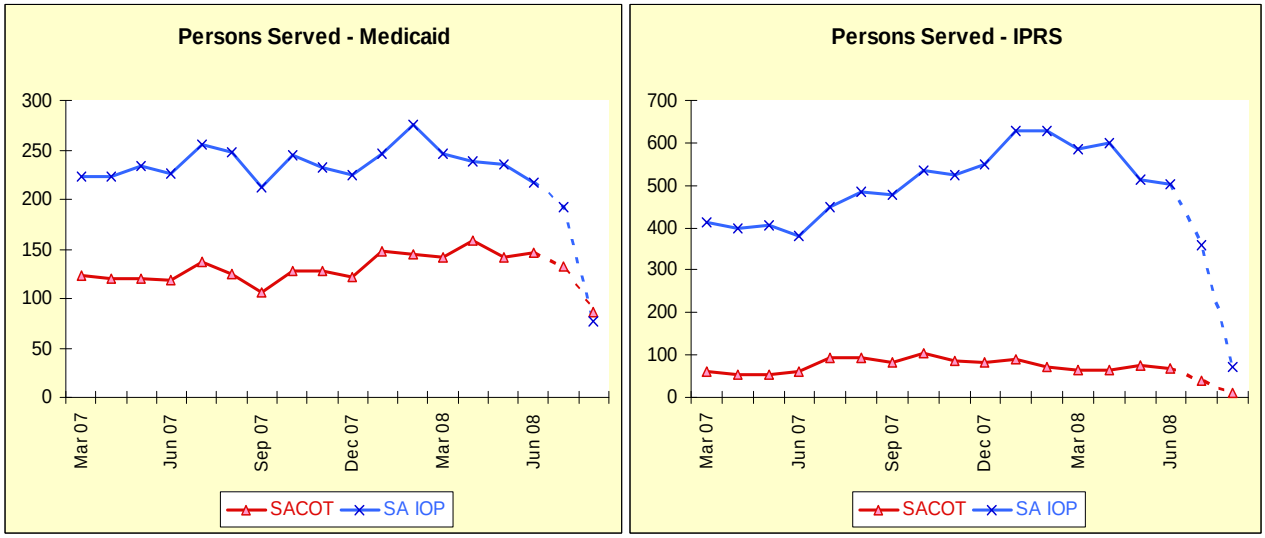
**Figure 3.6**
**Medicaid Services and State Funded Services for Adults**




## Substance Abuse Services

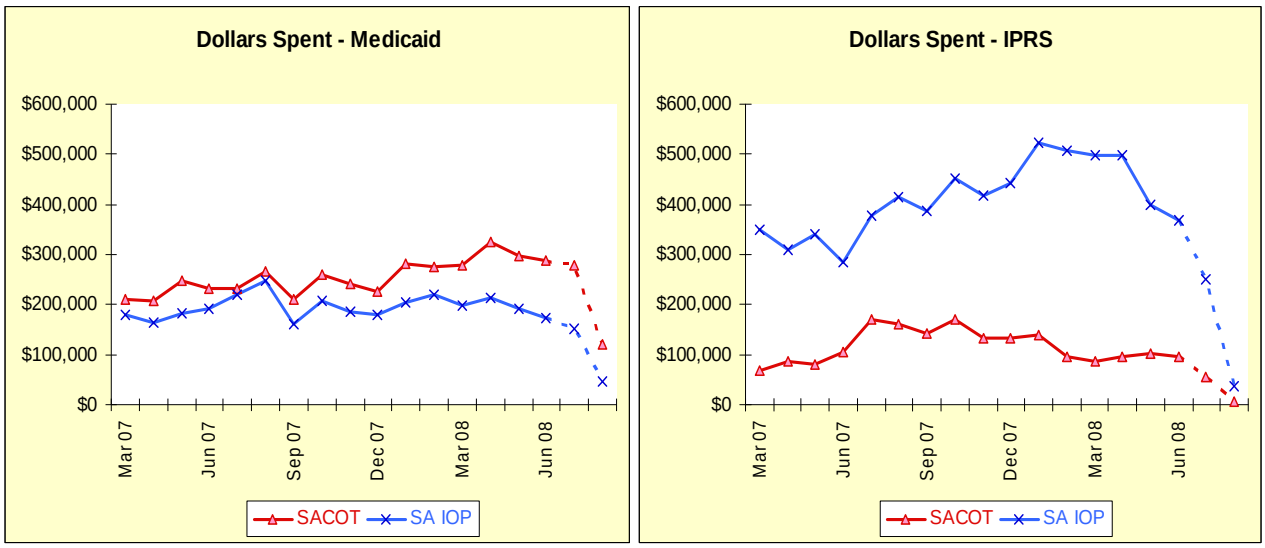
The number of individuals receiving Substance Abuse Intensive Outpatient Program (SA IOP) services, and Substance Abuse Comprehensive Outpatient Treatment (SACOT) services totaled 932 individuals in June 2008, with 363 served through Medicaid funds and 569 served through State funds. Over the past 18 months State-funded SAIOP has increased, while the number of persons receiving State-funded SACOT has leveled off. Medicaid-funded SACOT has increased slightly, while SA IOP has decreased slightly over the same period.

**Figure 3.7**
**Medicaid Services and State Funded Services for Substance Abuse**



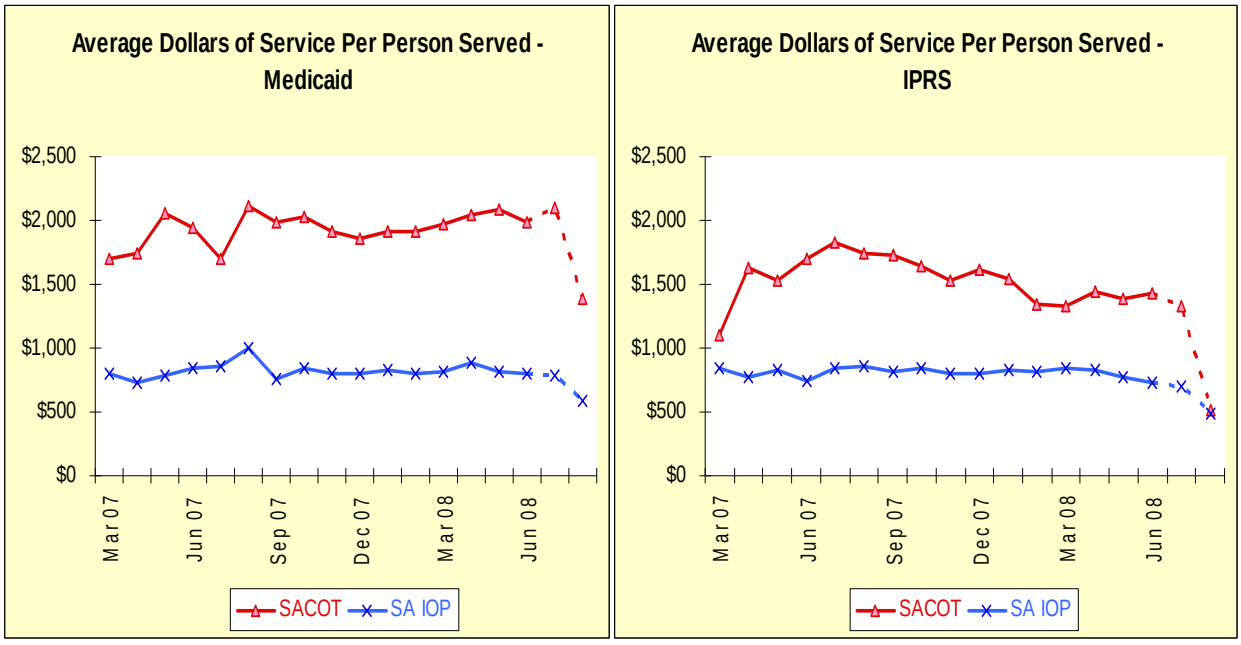
As shown in Figure 3.8 below spending for Medicaid-funded SACOT has increased over the same period, while SA IOP spending has leveled off. State-funded SA IOP has continued to increase over the past 18 months, while SACOT spending has increased slightly.

**Figure 3.8**
**Medicaid Services and State Funded Services for Substance Abuse**




In Figure 3.9 below, the average dollars per person for State-funded Substance Abuse Comprehensive Outpatient Treatment (SACOT) reached a high in the summer of 2007 and has stayed fairly stable since then. Medicaid-funded SACOT increased over the same period. Substance Abuse Intensive Outpatient Program (SAIOP) services remained stable for both Medicaid-funded and State-funded services.

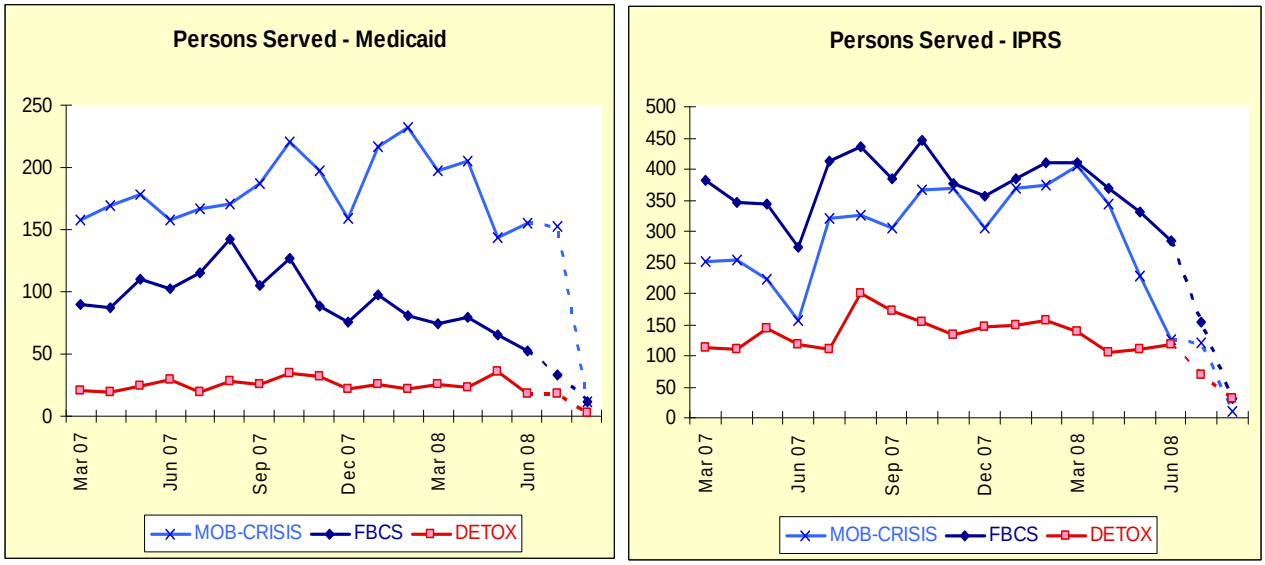
**Figure 3.9**
**Medicaid Services and State Funded Services for Substance Abuse**



## Crisis Services for All Age/Disability Populations

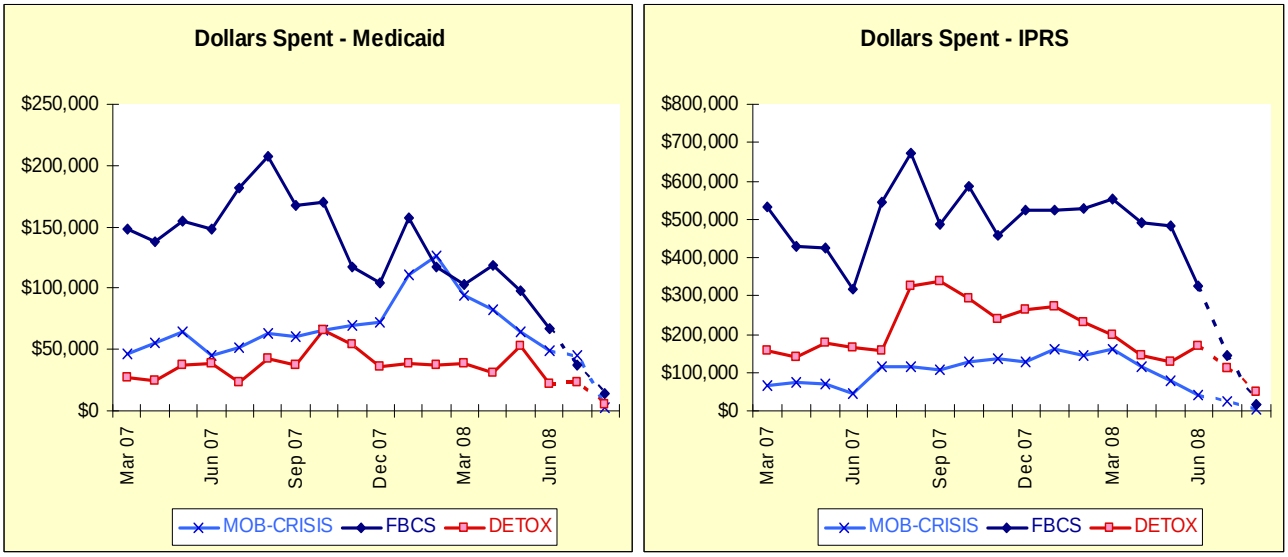
The number of individuals receiving Mobile Crisis Management (MOB-CRISIS) services, Professional Treatment Services in Facility Based Crisis Program Services (FBCS), and Non-Hospital Medical Detoxification (DETOX) totaled 754 individuals in June 2008, with 225 served through Medicaid funds and 529 served through state funds. Among Medicaid-funded services, shown in Figure 3.10 more persons received MOB-CRISIS than FBCS or DETOX combined.

**Figure 3.10**
**Medicaid Services and State Funded Crisis Services**



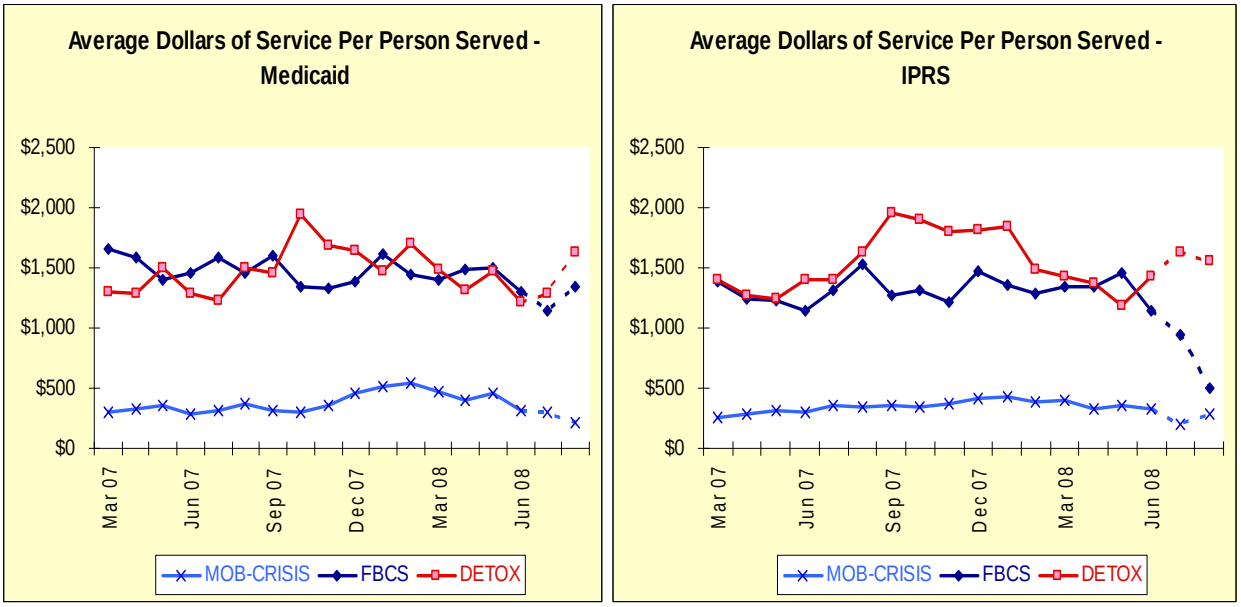

In Figure 3.11 below, State Funds spent for MOB-CRISIS and DETOX decreased over the past six months, while FBCS spending has fluctuated. Medicaid funding spent on FBCS has decreased over the past 18 months, while DETOX has remained fairly stable. Medicaid spending for MOB-CRISIS has dropped over the past six months.

**Figure 3.11**
**Medicaid Services and State Funded Crisis Services**



In Figure 3.12 below, average dollars per person for Medicaid-funded and State-funded FBCS and MOB-CRISIS have remained fairly stable over the past 18 months. Medicaid-funded and State-funded DETOX costs per person have decreased over the past 9 months.

**Figure 3.12**
**Medicaid Services and State Funded Crisis Services**




## *Conclusion*

Overall, the use of Community Support services has continued to decrease over the past 18 months. Recent legislative and policy changes, such as the Division's revision of the rates for Enhanced Benefit Services, are beginning to have an impact on the use of Community Support and other Enhanced services outlined in this report. Careful and continued examination of the Community Support data may help to shed new light on the level of funding, and the volume and quality of services needed to strengthen our system. In addition, the Division will continue to monitor the use of services through the Medicaid Management Information System, Integrated Payment Reporting System, and other required state review processes.

# Appendix

## ***Appendix A***

# Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to "[evaluate] the use and cost of Community Support services to identify existing and potential areas of over utilization and over expenditure." Section 10.49(ee)(10) further stipulates that the Department will:

> *"Beginning October 1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:*
>
> *a. The number of clients of Community Support services by month, segregated by adult and child;*
> *b. The number of units of Community Support services billed and paid by month, segregated by adult and child;*
> *c. The amount paid for Community Support by month, segregated by adult and child;*
> *d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
> *e. The length of stay in Community Support, segregated by adult and child;*
> *f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
> *g. The total number of Community Support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
> *h. The number of Community Support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
> *i. The utilization of other, newly enhanced mental health services, including the number of clients served by month, the number of hours billed and paid by month, and the amount expended by month."*

## ***Appendix B***

# Summary Notes

**About the Data:** The preceding pages include historic data for 18 months, in order to capture trends in the use of Community Support services. The data span Medicaid-funded and State and block grant funded services paid through IPRS. The data – with the exception of Figures 1.7 and 1.8 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See "Cost of Services" below for more information.)

**Caution is necessary in interpreting date of service information for the most recent months. These data are likely to be incomplete due to delays in providers' submission of service claims. Data for the two most recent months is represented by dotted lines (- - - -) in the graphs.**

**Medicaid funding defines children as ages 0-20; State funding defines children as ages 0-17. No Medicaid data from Piedmont Behavioral Healthcare is included in the analysis because they are the only LME that has an approved waiver through the Centers for Medicare and Medicaid Services.**

### Cost of Services (Page 5)

In order to present the most accurate picture of the cost of Community Support services, two methods of calculating expenditures are needed.

- Patterns in service costs are calculated based on the *date of service.* These data (see Figures 1.5 and 1.6) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the two most recent months require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.[6]
- Patterns in service payments are calculated using the *date of payment* of the service claim.[7] This information (see Figures 1.7 and 1.8) provides a timely representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of Community Support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

### Services by Qualified Professionals and Paraprofessionals (Page 7)

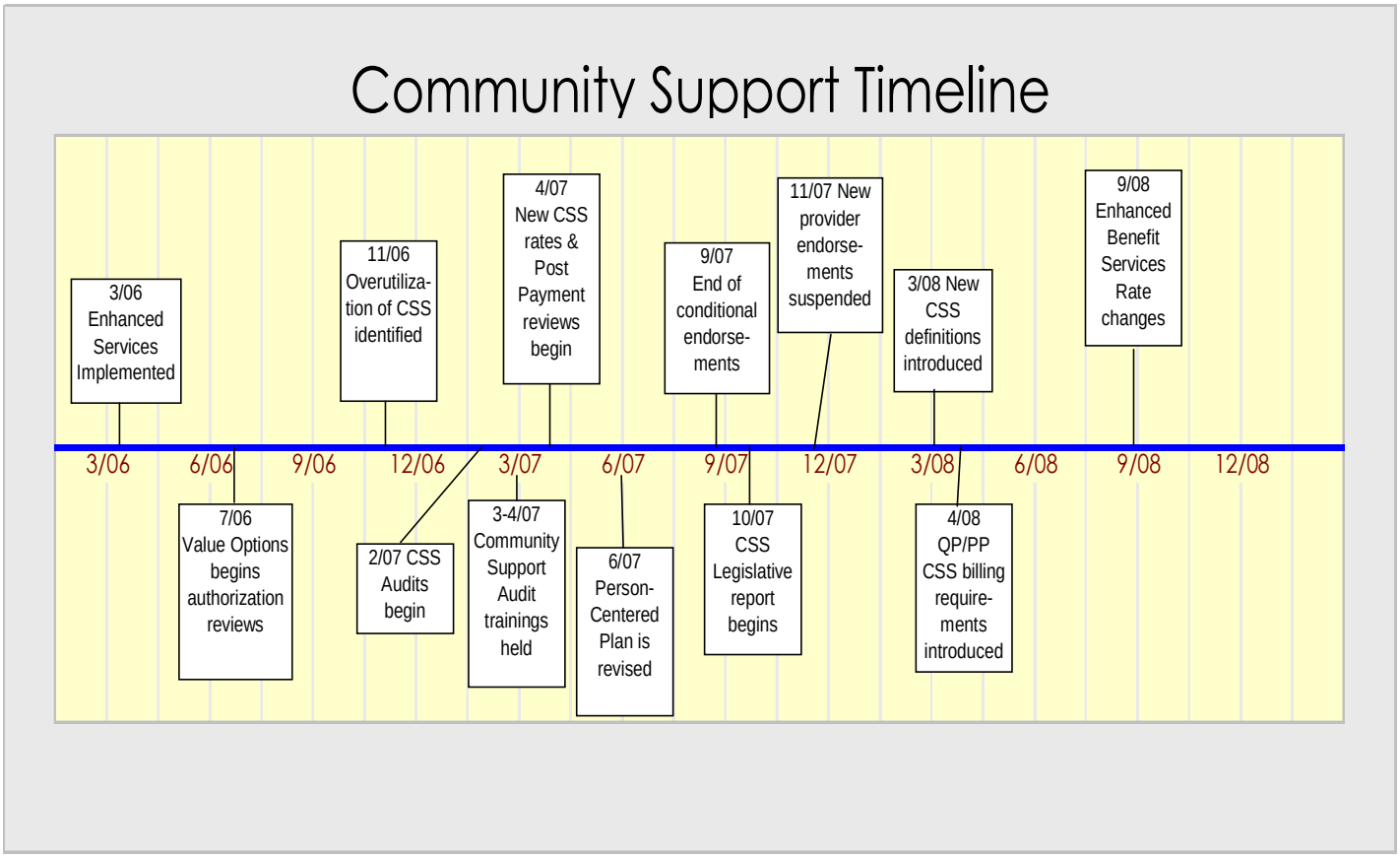
- Implementation Update #45 (July 7, 2008) clarifies the 25% aggregate service requirement. One major change is that provider compliance will be measured over a "rolling" three month period of time. Providers will also have the right to appeal any decision to withdraw endorsement, based on their ability to document billable services delivered during the three month period.

[6] Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

[7] Calculations of service value based on the date of payment include payment adjustments. Calculations based on the date of service do not.

- Implementation Update #46 (July 18, 2008) outlines legislative changes that will impact all costs reported and hours billed per person in all future Community Support reports. As of August 1, 2008 all community support services are subject to prior approval, and Community Support services will be limited to 8 hours per week without prior authorization.
- Clarification of Implementation Update #46 (August 4, 2008) outlines the submission of proposed tiered rate changes, which will increase the percentage of services billed and delivered by Qualified Professionals to 50%. Providers will have eight months after the implementation of the tiered rates to meet the 50% standard.
- Implementation Update #48 (September 2, 2008) outlines rate changes for all Medicaid and State funded Enhanced Benefit services.

## ***Appendix C***


Community Support Timeline
3/06 Enhanced Services Implemented
7/06 Value Options begins authorization reviews
11/06 Overutiliza-tion of CSS identified
2/07 CSS Audits begin
4/07 New CSS rates & Post Payment reviews begin
3-4/07 Community Support Audit trainings held
6/07 Person-Centered Plan is revised
9/07 End of conditional endorse-ments
10/07 CSS Legislative report begins
11/07 New provider endorse-ments suspended
3/08 New CSS definitions introduced
4/08 QP/PP CSS billing require-ments introduced
9/08 Enhanced Benefit Services Rate changes
3/06
6/06
9/06
12/06
3/07
6/07
9/07
12/07
3/08
6/08
9/08
12/08